

13 October 2006

## Value of Internet sales rises 56 per cent in 2005

### 2005 e-commerce Survey of Business

The value of Internet sales by businesses rose to £103.3 billion in 2005, an increase of 56 per cent on the 2004 figure of £66.2 billion. This is according to experimental statistics from the latest annual e-commerce survey, published today by the Office for National Statistics (ONS).

The results of the 2005 survey, which was based on businesses with ten or more employees, show growth in the use of Information and Communication Technologies (ICTs) and large increases in the value of trade over the Internet.

The results highlight greater use of ICTs by the largest businesses (those with 1,000 or more employees) and that saturation is being reached by most sizes of business surveyed in some ICTs, such as computer use, Internet access and use of broadband.

Other key findings of the survey include:

- The value of Internet sales to households rose to £21.4 billion in 2005 from £16.5 billion in 2004, a rise of 29.7 per cent.
- 14.6 per cent of businesses sold over the Internet in 2005 (12 per cent in 2004) while 56.3 per cent made purchases over the Internet in 2005 (50.3 per cent in 2004).
- Internet purchases by businesses rose 50.4 per cent, from £48.4 billion in 2004 to £72.8 billion in 2005.
- 69.8 per cent of businesses had a website in 2005, compared to 66.9 per cent of businesses in 2004.
- 50.5 per cent of businesses used the Internet to interact with public authorities, such as government departments, local and regional authorities in 2005.

Issued by  
National Statistics  
1 Drummond Gate  
London SW1V 2QQ

Telephone  
Press Office 020 7533 5725  
Email [press.office@ons.gov.uk](mailto:press.office@ons.gov.uk)  
Public Enquiries 0845 601 3034

Internet  
[www.statistics.gov.uk](http://www.statistics.gov.uk)



- 24.8 per cent of businesses reported having electronic systems for placing or receiving orders in 2005.

The largest businesses have led the way with the adoption of new ICTs, as shown by the use of broadband and faster Internet connection speeds. Nearly 99 per cent of businesses with 1,000 or more employees had broadband in 2005 compared to 70.8 per cent of those with 10 to 49 employees. Just over 78 per cent of businesses with 1,000 or more employees had a connection speed of 2Mbps or more, while only 23.3 per cent of businesses with 10 to 49 employment reported this speed.

## BACKGROUND NOTES

1. Businesses with employment of less than 10 were not included in the 2005 survey. These businesses were covered by the survey in previous years, which means that some headline results of the 2005 survey are not directly comparable with previous years.
2. Some 9,000 businesses with 10 or more employees were questioned on ICT usage in the survey, now in its sixth year.
3. Financial businesses are excluded from estimates relating to the proportions of businesses buying and selling over ICTs, and the values of their sales.
4. The definition of e-commerce has been agreed by the OECD and the European Union. It is the method by which the order is placed which determines whether a transaction is e-commerce - not the payment or delivery channel.
5. The 2003 and 2004 estimates of electronic trading have been revised as a result of updated estimates provided by businesses. 2002 estimates have not been revised.
6. The detailed results of the 2005 survey can be found on the National Statistics website at <http://www.statistics.gov.uk/STATBASE/Product.asp?vlnk=6645>
7. Details of all ONS e-commerce reports can be found at [www.statistics.gov.uk/about/methodology\\_by\\_theme/e-commerce\\_related\\_activities/default.asp](http://www.statistics.gov.uk/about/methodology_by_theme/e-commerce_related_activities/default.asp)